

# Social Security

## **An important financial building block for your retirement**

Social Security is a benefits program administered by the federal government. When you work, you pay taxes into the Social Security system. Then, when you retire or become disabled, you apply for and receive monthly Social Security benefits. Your retirement benefits are based on the earnings that your employers have reported for you to the Social Security Administration. Your spouse and dependent children also can receive retirement or disability benefits if you qualify for them. Your survivors can collect benefits if you die.

Your Social Security retirement benefit is guaranteed for life. That means you cannot outlive your Social Security retirement benefit. It will always be there for you. Your Social Security benefit is protected against inflation. Social Security benefits are adjusted periodically, based on changes in the Consumer Price Index. This Cost of Living Adjustment (COLA) means your benefits check will always keep pace with inflation.

## **Social Security Retirement Benefits**

To qualify for Social Security retirement benefits, you must have worked and earned at least 40 Social Security credits in a job covered by Social Security. Your benefit amount is based on your time in the workforce, your level of earnings, and the age that you start receiving benefits. You can receive your retirement benefits at age 62. However, if you wait until a later age, you'll get more money in your monthly benefits check.

## **Checking On Your Benefit Amount**

If you are over 25, you should receive a Social Security statement every year, approximately three months before your birthday. This statement lists the amount of money you have contributed each year to Social Security.

Look at the record closely to make sure you're getting full credit for all the years you worked. If you think a figure is wrong, check your own employment records or contact your former employer for information. It's important to correct any mistakes, so you'll receive all your benefits.

## **Applying for Social Security**

To receive Social Security benefits, you must file for them on prescribed forms, with specific documentation and – for some claims – within certain time limits. Visit the Social Security Administration Web site at [www.ssa.gov](http://www.ssa.gov) for publications and online resources to help you understand your Social Security benefits, how to apply for benefits and the history of the Social Security program. You can also follow the instructions on the Social Security home page to apply for benefits online, or call Social Security at 1-800-772-1213 or your local SSA office.

## **Social Security Retirement Planner**

The Social Security site offers three types of benefits calculators to determine how much money you should expect to collect from Social Security if you retire at various ages. Visit this site at [www.ssa.gov/retire2/](http://www.ssa.gov/retire2/).

SOURCE: AARP "Future Focus, Your Guide To Financial Planning For Retirement." AARP maintains a special Social Security Center on its Web site. Visit [www.aarp.org/socialsecurity](http://www.aarp.org/socialsecurity).